

**ELECTRONIC SYSTEMS**

966 Commercial Street
Palo Alto, California
DAvenport 1-4175

January 6, 1960

REGISTERED - RETURN RECEIPT REQUESTED

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Contracting Officer

Reference: Contract SE-510

Subject: Summary of Contract Negotiation Meeting

Gentlemen:

This is a summary of our understanding of the agreement reached with your representative on his recent visit to our plant.

Prices were negotiated on the following items as indicated below:

| | | |
|---------------|--|-------------------|
| Item 1 | 5 Units - Model 504B (including Pilot Control Box) | |
| | Unit Price - \$19,800 | |
| | Total Price - 5 units | \$ 99,000 |
| Item 2 | Spare Parts | 34,343 |
| Item 3 | Test Support Equipment | 1,309 |
| Item 4 | For Billing our Residual Parts Resulting in reduction for requirement from 8 to 5 units | 4,000 |
| | Total Contract Price | \$ 138,652 |

Enclosed as attachments #1 and #2, respectively, are lists of the specific spare parts and test support equipment to be supplied.

The prices quoted above are on a fixed price basis, F.O.B. any destination in the continental United States.

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The delivery schedule of equipment for Item 1 is as follows:

| | |
|----------------|----------------------|
| 1 unit | January 1960 |
| 1 unit | February 1960 |
| 2 units | March 1960 |
| 1 unit | April 1960 |

We will make every possible effort to have delivery of the spare parts, Item 2, concurrent with delivery of the first two units of equipment specified in Item 1. As we explained to your representative, our timely receipt of traveling wave tubes, of course, will be the determining factor.

In addition to these matters, we have reviewed the general provisions offered for this contract, and feel that several of the provisions are not applicable to fixed price contracts, so that they would not be applicable to our current fixed price contract. However, in this particular instance, the provisions are not objectionable to us, and we will make no specific objections in connection with this particular contract.

We trust that our understanding of the negotiations on the above items concurs with yours, and the final, definitive contract can now be written.

Very truly yours,



**Vice President and
Treasurer**

RJH:jb

Encl: 2 sets Attachments #1 and #2